

UNITED STATES BANKRUPTCY COURT  
FOR THE EASTERN DISTRICT OF WISCONSIN

UNITED STATES  
BANKRUPTCY COURT  
FILED MAIL

DEC 28 2004

In re the petition of:

STEVEN J. QUERIO  
a/k/a Steve Querio,  
Debtor.

L. L. JUSTIN CLERK  
REAFFIRMATION AGREEMENT  
JUKEE, WISCONSIN

Case No. 04-33143-svk

WHEREAS, Steven J. Querio, hereafter referred to as "Debtor," has executed a Guaranty on September 14, 2004, a copy of which is attached hereto as Exhibit "A," by which said Debtor assumed responsibility for the obligation of Shawano Avenue Healthcare Ventures, LLC, dated September 10, 2004 in the amount of Six Hundred Fifty Thousand and no/100 (\$650,000.00), and

WHEREAS, Debtor has filed a petition in the United States Bankruptcy Court for the Eastern District of Wisconsin for relief under Chapter 7 of the Bankruptcy Code and has included the aforesaid debt due to Bank in his schedules,

NOW, THEREFORE, Debtor and Bank hereby agree as follows:

1. Debtor guarantees to Bank the payment and performance of the obligation of Shawano Avenue Healthcare Ventures, LLC, dated September 10, 2004 in the amount of Six Hundred Fifty Thousand and no/100 (\$650,000.00) Dollars, a copy of which is attached hereto as Exhibit "B."
2. It is understood that this Reaffirmation Agreement shall be enforceable against Debtor at the time of discharge, if Debtor is granted a discharge.
3. It is understood that this Reaffirmation Agreement is enforceable against the Debtor after discharge. The Debtor understands that this Agreement is not required under bankruptcy law. The Debtor understands that he is entering into this Agreement freely, voluntarily and fully informed of his rights. The Debtor acknowledges that this Agreement does not pose an undue hardship on him.

4. Both parties acknowledge that Debtor has a right to rescind this Agreement at any time prior to discharge or within 60 days after this Agreement is filed with the court, whichever occurs later. Any rescission of this Agreement shall be made in writing and notice shall be given to Stephen A. Kase, c/o Baylake Bank at P.O. Box 9, Sturgeon Bay, WI 54235-0009, by first class mail.

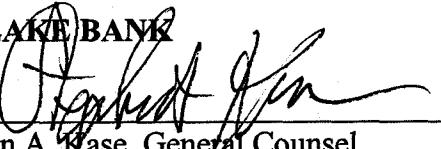
Dated: 12/22/04

DEBTOR:

  
Steven J. Querio

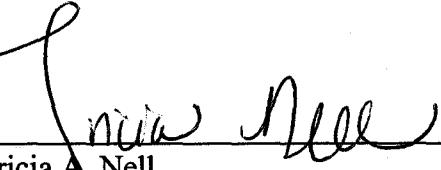
Dated: 12-23-04

BAYLAKE BANK

By:   
Stephen A. Kase, General Counsel

Attorney's Declaration: This agreement represents a fully informed and voluntary agreement that does not impose an undue hardship on the Debtor or any dependent of the Debtor.

Dated: 12/22/04

By:   
Tricia A. Nell  
Attorney for Debtor

Drafted by:  
Stephen A. Kase  
P.O. Box 9, Sturgeon Bay WI 54235  
Phone No.: (920) 743-5551  
State Bar No.: 01015332

## GUARANTY

STURGEON BAY  
(City)WISCONSIN  
(State)

SEPTEMBER 10, 2004

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and to induce  
BAYLAKE BANK 217 N FOURTH AVE P.O. BOX 8 STURGEON BAY, WI 54235-0008  
 herein, with its participants, successors and assigns, called "Lender", at its option, at any time or from time to  
 time to make loans or extend other accommodations to or for the account of SHAWANO AVENUE HEALTHCARE VENTURES, LLC

herein called "Borrower") or to engage in any other transactions with Borrower, the Undersigned hereby absolutely  
 and unconditionally guarantees to Lender the full and prompt payment when due, whether at maturity or earlier by  
 reason of acceleration or otherwise, of the debts, liabilities and obligations described as follows:

A. If this  is checked, the Undersigned guarantees to Lender the payment and performance of the debt,  
 liability or obligation of Borrower to Lender evidenced by or arising out of the following: NOTE DATED 9/10/04 IN  
THE AMOUNT OF \$650,000.00 and any extensions,  
 renewals or replacements thereof (hereinafter referred to as the "Indebtedness").

B. If this  is checked, the Undersigned guarantees to Lender the payment and performance of each and  
 every debt, liability and obligation of every type and description which Borrower may now or at any time  
 hereafter owe to Lender (whether such debt, liability or obligation now exists or is hereafter created or  
 incurred, and whether it is or may be direct or indirect, due or to become due, absolute or contingent,  
 primary or secondary, liquidated or unliquidated, or joint, several, or joint and several; all such debts,  
 liabilities and obligations being hereinafter collectively referred to as the "Indebtedness"). Without limitation,  
 this guaranty includes the following described debt(s):

The term "Indebtedness" as used in this guaranty shall not include any obligations entered into between  
 Borrower and Lender after the date hereof (including any extensions, renewals or replacements of such  
 obligations) for which Borrower meets the Lender's standard of creditworthiness based on Borrower's own  
 assets and income without the addition of a guaranty, or for which a guaranty is required but Borrower chooses  
 someone other than the joint Undersigned to guarantee the obligation.

The term "Undersigned" shall refer to all persons who sign this guaranty, severally and jointly.  
 The Undersigned further acknowledges and agrees with Lender that:

1. No act or thing need occur to establish the liability of the Undersigned hereunder, and no act or thing, except  
 full payment and discharge of all indebtedness, shall in any way exonerate the Undersigned or modify, reduce, limit  
 or release the liability of the Undersigned hereunder. However, in an open-end transaction, in which more than one  
 person may be liable on this Guaranty, any of the Undersigned may limit his or her liability for future extensions of credit by giving written notice of the intent to do so to the Lender. Liability for future extensions of credit will cease  
 15 days after such notice is received by the Lender.

2. This is an absolute, unconditional and continuing guaranty of payment of the Indebtedness and shall continue  
 to be in force and be binding upon the Undersigned, whether or not all Indebtedness is paid in full, until this  
 guaranty is revoked by written notice actually received by the Lender, and such revocation shall not be effective as  
 to Indebtedness existing or committed for at the time of actual receipt of such notice by the Lender, or as to any  
 renewals, extensions and refinancings thereof. If there be more than one Undersigned, such revocation shall be  
 effective only as to the one so revoking. The death or incompetence of the Undersigned shall not revoke this  
 guaranty, except upon actual receipt of written notice thereof by Lender and then only as to the decedent or the  
 incompetent and only prospectively, as to future transactions, as herein set forth.

3. This agreement will be in default if: (i) the borrower is in default (as defined in Wisc. Stat. § 425.103, if  
 applicable to the underlying transaction) on the promissory note(s) or any security agreement securing the note(s);  
 or (ii) the Undersigned fails to comply with any term of this agreement, and this failure materially impairs the  
 condition, value or protection of Lenders right to the collateral or materially impairs the Undersigned's ability to pay  
 the obligations due under this agreement.

If an act constituting a default occurs, and the right to cure attaches, the Lender will provide a written notice of  
 the default to each person obligated on the Indebtedness, including the Undersigned. Such notice will be provided  
 at least 15 days prior to any action by the Lender to accelerate the maturity date or commence any action.

4. The liability of the Undersigned hereunder shall be limited to a principal amount of \$ 650,000.00  
 (if unlimited or if no amount is stated, the Undersigned shall be liable for all Indebtedness, without any limitation as  
 to amount), plus accrued interest thereon and all statutory costs and statutory attorneys' fees referable thereto.  
 Indebtedness may be created and continued in any amount, whether or not in excess of such principal amount,  
 without affecting or impairing the liability of the Undersigned hereunder. The Lender may apply any sums received  
 by or available to Lender on account of the Indebtedness from Borrower or any other person (except the  
 Undersigned), from their properties, out of any collateral security or from any other source to payment of the  
 excess. Such application of receipts shall not reduce, affect or impair the liability of the Undersigned hereunder. If  
 the liability of the Undersigned is limited to a stated amount pursuant to this paragraph 4, any payment made by  
 the Undersigned under this guaranty shall be effective to reduce or discharge such liability only if accompanied by a  
 written transmittal document, received by the Lender, advising the Lender that such payment is made under this  
 guaranty for such purpose.

If the Indebtedness is in Default as defined in paragraph 3, then Lender may set off any amount due and payable  
 under this guaranty against any right the Undersigned may have to receive money from Lender, after sending  
 written notice of the Undersigned's default and right to cure and waiting 15 days, if applicable.

This guaranty is  unsecured;  secured by a mortgage or security agreement dated \_\_\_\_\_;

secured by \_\_\_\_\_

This guaranty includes the additional provisions on page 2, all of which are made a part hereof.

The Undersigned hereby acknowledges receipt of a copy of this Guaranty on today's date.

Undersigned  
STEVEN J. QUERIO

Undersigned

Date

*Se* 9-14-04

(page 1 of 2)

## ADDITIONAL PROVISIONS

5. The Undersigned will pay or reimburse Lender for all statutory costs and statutory attorneys' fees incurred by Lender in connection with the protection, defense or enforcement of this guaranty in any litigation, bankruptcy or insolvency proceedings.

6. Whether or not any existing relationship between the Undersigned and Borrower has changed or ended and whether or not this guaranty has been revoked, Lender may, but shall not be obligated to, enter into transactions resulting in the creation or continuance of Indebtedness, without any consent or approval by the Undersigned, unless otherwise provided by the Wisconsin Consumer Act. The liability of the Undersigned shall not be affected or impaired by any of the following acts or things (which Lender is expressly authorized to do, omit or suffer from time to time, both before and after revocation of this guaranty, without approval by the Undersigned): (i) any acceptance of collateral security, guarantors, accommodation parties or sureties for any or all Indebtedness; (ii) any one or more extensions or renewals of Indebtedness (whether or not for longer than the original period) or any modification of the interest rates, maturities or other contractual terms applicable to any Indebtedness; (iii) any waiver, adjustment, forbearance, compromise or indulgence granted to Borrower, any delay or lack of diligence in the enforcement of Indebtedness, or any failure to institute proceedings, file a claim, give any required notices or otherwise protect any Indebtedness; (iv) any full or partial release of, settlement with, or agreement not to sue Borrower or any other guarantor or other person liable for the Indebtedness; (v) any discharge of any evidence of Indebtedness or the acceptance of any instrument in renewal thereof or substitution therefor; (vi) any failure to obtain collateral security (including rights of setoff) for Indebtedness, or to see to the proper or sufficient creation and perfection thereof, or to establish the priority thereof, or to protect, insure, or enforce any collateral security; or any release, modification, substitution, discharge, impairment, deterioration, waste, or loss of any collateral security; (vii) the foreclosure or enforcement of any collateral security; (viii) the transfer of any Indebtedness or any evidence thereof; (ix) any order of application of any payments or credits upon Indebtedness as permitted by Wisc. Stat. §§ 422.413 and 422.418; (x) any election by the Lender related to the Borrowers bankruptcy under § 1111(b)(2) of the United States Bankruptcy Code.

7. The Undersigned shall be and will remain liable for any deficiency, if allowed by Wisc. Stat. § 425.209, remaining after foreclosure of any mortgage or security interest securing Indebtedness. The Undersigned shall be and will remain obligated to pay Indebtedness even though any other person obligated to pay the Indebtedness, including Borrower, has such obligation discharged in bankruptcy. "Indebtedness" shall include post-bankruptcy petition interest and attorneys' fees and any other amounts which Borrower is discharged from paying or which do not otherwise accrue to Indebtedness due to Borrower's discharge, and the Undersigned shall remain obligated to pay such amounts as though Borrower's obligations had not been discharged.

8. The Undersigned waives presentment, demand for payment, notice of dishonor or nonpayment, and protest of any instrument evidencing Indebtedness, unless otherwise provided by the Wisconsin Consumer Act. Lender shall not be required first to resort for payment of the Indebtedness to Borrower or other persons or their properties, or first to enforce, realize upon or exhaust any collateral security for Indebtedness, before enforcing this guaranty.

9. This guaranty shall be enforceable against each person signing this guaranty. If there is more than one signer, all agreements and promises herein shall be construed to be, and are hereby declared to be, joint and several in each of every particular and shall be fully binding upon and enforceable against either, any or all the Undersigned. This guaranty shall be effective upon delivery to Lender, without further act, condition or acceptance by Lender. This guaranty shall be binding upon the Undersigned and the heirs, representatives, successors and assigns of the Undersigned and shall inure to the benefit of Lender and its participants, successors and assigns. Any invalidity or unenforceability of any provision or application of this guaranty shall not affect other lawful provisions and application hereof, and to this end the provisions of this guaranty are declared to be severable, unless otherwise provided by the Wisconsin Consumer Act. Except as authorized by the terms herein, this guaranty may not be waived, modified, amended, terminated, released or otherwise changed except by a writing signed by the Undersigned and Lender. The validity, construction, and enforcement of this guaranty shall be governed by the laws of the State of Wisconsin. The Undersigned waives notice of Lender's acceptance hereof.

(page 2 of 2)



